

# Mashable

We're using cookies to improve your experience. [Click Here to find out more.](#)

•

• [Mashable](#)

# MashableAsia

[Mashable](#) [Mashable Australia](#) [Mashable France](#) [Mashable India](#) [Mashable UK](#)

• [Sign in](#)

- - Like
  - [Follow](#)
  - 
  - 
  - 
  - 
  - [see more >](#)

• [Search](#)

• [Video](#)

• [Entertainment](#)

• [Culture](#)

• [Tech](#)

• [Science](#)

• [Business](#)

• [Social Good](#)

• [More](#)

- - Channels
    - [Video](#)
    - [Entertainment](#)
    - [Culture](#)
    - [Tech](#)
    - [Science](#)
    - [Business](#)
    - [Social Good](#)
  - - Company
    - [About Us](#)
    - [Licensing & Reprints](#)
    - [Archive](#)
    - [Mashable Careers](#)
  - - Contact
    - [Contact Us](#)
    - [Submit News](#)
  - - Advertise
    - [Advertise](#)
  - - Legal
      - [Privacy Policy](#)
      - [Terms of Use](#)
      - [Cookie Policy](#)
  - - Apps
      - [iPhone / iPad](#)
      - [Android](#)
  - - Resources
      - [Subscriptions](#)
  - - Sites
      - [Job Board](#)
      - [Social Good Summit](#)



WE HAVE UPDATED OUR PRIVACY POLICY AND ENCOURAGE YOU TO READ IT BY CLICKING [HERE](#).



Share on Facebook Share Tweet on Twitter [Share](#) [Share](#)

# How Companies Are Using Your Social Media Data

Share on Facebook Share Tweet on Twitter [Share](#) [Share](#)



BY [LEAH BETANCOURT](#)  
MAR 02, 2010

Companies are mining the social web to build dossiers on you. Information posted publicly on blogs, [Facebook](#), [Twitter](#), forums and other sites is fair game. It is yet another reminder that people need to be aware of what they are posting on social networking sites and to whom they're connected.

Jules Polonetsky, director and co-chair of the [Future of Privacy Forum](#), said online users have no clue that a comment they made on a blog is being added to a database for some unknown use.

"I don't think users expect that," he said, and if consumers think idle chatter and casual conversation can be used against them by institutions, it's almost certain to create a backlash, according to Polonetsky. He said the Federal Trade Commission is right now re-examining the current privacy structure in the U.S.

WE HAVE UPDATED OUR PRIVACY POLICY AND ENCOURAGE YOU TO READ IT BY CLICKING [HERE](#).

But at the same time, he said consumers are always very comfortable with Amazon using data to recommend books they might like. "When users are in control of it, it's a win-win — if they feel empowered."

## How Data is Being Used

Polonetsky said aggregators like Rapleaf Inc. will collate information about individuals and sell it to companies that want to learn about those customers and what they do online.

Personal finance reporter [Erica Sandberg](#), who covered the issue of social media datamining in a [story for CreditCards.com](#), said that if a data mining company turns your chatter and network into a behavioral pattern, and if they can prove it has some worth, then it's valuable to companies. Sandberg said this is just more information anyone can use to help them make a decision.

"I don't think there's anything scary about it," she said. "Why wouldn't they look at it? It's public." She said she is not aware of any specific examples of those who have been negatively impacted because of it.

Entities such as airlines, politicians, and even non-profits can use this data for finding new customers or targeting products to existing ones. Financial services companies such as banks and lenders are also using the same datamining services for marketing purposes and to make lending decisions. For instance, certain types of credit products, which fit your personality, could be marketed specifically to you.

"It's a helpful tool to identify the right customers, the best customers," Sandberg said.

She said the immediate fear is the misconception that it affects your credit report. She stressed that companies that do social media datamining do not have access to your credit report, and the act of collecting the publicly available data has no effect on your credit score.

However, she said, "it can affect the credit you're offered, and the credit you receive."

Social media contacts play a role in behavioral profiles as well. "I think what's most interesting is how those in your network have an impact," she said.

Do you know if your Facebook friends have good credit histories? Likely not, but if you associate with people who are a good credit risk, than you'll probably be a good credit risk, according to Sandberg. "The whole idea [is] like follows like," she said.

## Learning About Customers to Tailor Experience



According to a counter on their website, Rapleaf Inc. has mined social data about more than 389 million customers. They do that by crawling the Internet just like [Google](#) or [Bing](#) does, said CEO Auren Hoffman, but that they only crawl sites such as forums, social networks, review sites, newsgroups, and blogs — where information is publicly available.

He said clients they work with include car companies, airlines, hotels, banks, retailers, non-profits and politicians. If they can learn more about their customer, then they can personalize an experience for that customer, according to Hoffman. He said consumers are already expecting this high level of service, and that it's all about the product, service, and experience that you would prefer.

"The power to personalize things is much greater," he said.

WE HAVE UPDATED OUR PRIVACY POLICY AND ENCOURAGE YOU TO READ IT BY CLICKING [HERE](#).

Rapleaf's blog links to a SmartMoney story about how banks and financial services firms limit their use of social media data to marketing departments, and not those "charged with making credit and lending decisions," according to the post.

Sandberg said it's up to businesses to use the information from datamining companies as they please. "This is public information. They can use it any way they want."

## Social Data Helps to Prevent Fraud

---

Lending Club, a peer-to-peer lending service that matches borrowers with investors, has been using a variety of tools and software to help them gather social media information for six months, according to Rob Garcia, the company's senior director.

He said Lending Club uses social media data for marketing and operational purposes and stressed that Lending Club does not use any social media data for credit decisions and that it does not affect whether an applicant can get a loan. "We use this information to benefit our customers — to prevent fraud," he said.

For operational purposes, Lending Club makes sure the user's information checks out to try to protect his or her identity, according to Garcia. So they will compare application information from a credit file against information that's publicly available. He said that if there's a mismatch, it gives them more reason to go to more strict identification procedures.

"We have found a way to use this information in a positive way," he said.

## Credit Card Companies Turn to Social Media

---



Consumers might soon be seeing more credit card offers in their mailboxes. In the last quarter of 2009, the number of credit card offers mailed were up 46% from the third quarter of 2009, according to a [news release](#) on the direct mail tracking service Synovate Mail Monitor.

Anuj Shahani, director of competitive tracking services for Synovate's Financial Services Group, told me that the number of credit card mailings is still down 40% from the fourth quarter of 2008. He said the [CARD Act](#), which is a new federal law aimed at better disclosure and banning unfair rate hikes, and the economy were reasons for the decrease in mailings of credit card offers.

He said that because of the CARD Act, there are restrictions on spending for credit card companies. Credit card companies will have to come up with targeting models, and data companies can help them figure out those models, according to Shahani.

"Issuers will have to come up with smarter ways to target the right audience because it is so much more expensive to extend credit," he said. "I think one of them will be social media."

Credit card companies are already using social media to launch new products.

ched in March 2009 on  
press launched its new

WE HAVE UPDATED OUR PRIVACY POLICY AND ENCOURAGE YOU TO READ IT BY CLICKING [HERE](#).

Shahani said the credit card issuer's goal is to find the right audience and go to the right people and that's where he expects social media would come in.

## Social Media Usage Tips

Here are some tips from Erica Sandberg on the types of content to avoid posting on the social web and handling network connections.

1. **Determine whether you want to go public or private with your social media profiles.** If the profiles are set to be public, then be consistent with information you are posting. "The caution lies in what you say. Be truthful," she said. For example, don't post a status update joking that you're filing for bankruptcy when you're not. "It's the off-the-cuff remarks you're going to want to be aware of," she warned.
2. **Eliminate people and sites from your social networks that you don't need.** "Make sure people who are around you are reflective of you as a wonderful person," Sandberg said.
3. **Pay attention to your friend, invite, and connection requests.** "You don't want random associations," she said. Sandberg recommends first checking out that person's profile before accepting it. "I get flooded with friend requests of people I don't know," she said. "You have no idea who these people are. It's a risky thing to do."

What if opting out of being on social media is not an option? Sandberg said she's on there for business purposes and can't really go private. In that case, be careful what you write. "It underscores the importance of being honest and projecting yourself in a positive way," she said.

## More social media resources from Mashable:

- [The Science of Building Trust With Social Media](#)
- [How Twitter in the Classroom is Boosting Student Engagement](#)
- [3 Ways Educators Are Embracing Social Technology](#)
- [5 Ways Social Media Is Changing Our Daily Lives](#)
- [How Social Media is Taking the News Local](#)

Images courtesy of [iStockphoto](#), [shironosov](#), [blackred](#)

[Image Credit: [Fosforix](#)]

**TOPICS:** [CONTRIBUTOR](#), [CREDIT CARDS](#), [DATA](#), [DATA MINING](#), [FACEBOOK](#), [FINANCE](#), [MYSpace](#), [PERSONAL FINANCE](#), [PRIVACY](#), [SOCIAL MEDIA](#), [SOCIAL NETWORKING](#), [SOCIAL NETWORKS](#), [TWITTER](#)

### You May Like

Sponsored Links by Taboola

**People Born Before 1981 Could Be Paid a Premium Amount For**

WE HAVE UPDATED OUR PRIVACY POLICY AND ENCOURAGE YOU TO READ IT BY CLICKING [HERE](#).

### **Flight Prices You're Not Allowed to See**

Save70

### **Play this Game for 1 Minute and see why everyone is addicted**

Delta Wars

### **6 Jobs That Will Be Gone in 10 Years**

BleuBloom.com

### **Find cheap Cruises**

Cruise-Compare.com

### **Top 10 Amazing Gadgets That You Have To See**

Hot Viral Gadgets

### **These 3 Electricity Saving Tips Will Save You A Fortune**

Womens Article

### **In this game you will learn how to survive on Mars**

Delta Wars

### **Philippines' Cheap Hotel Finder**

Save70.com

Get our hottest stories  
delivered to your inbox.

Sign up for Mashable Newsletters to get  
personalized updates on top stories and viral hits.

EMAIL

SIGN UP

---

---

WE HAVE UPDATED OUR PRIVACY POLICY AND ENCOURAGE YOU TO READ IT BY CLICKING [HERE](#).





[Tech](#)

## [Alexa is down, and everyone is making Super Bowl jokes](#)

Karissa Bell

Jeff Bezos' worst nightmare is real.

12 hours ago

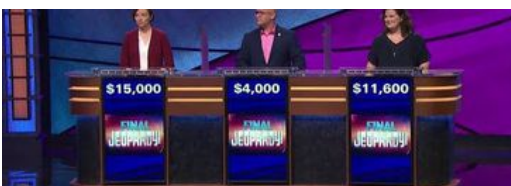
[Share](#) [Tweet](#) [Share](#) [Share](#)



[Paid Content by DIT trader](#)

[MWC 2018: How Brits are at the cutting edge of conversation](#)

[Share](#) [Tweet](#) [Share](#) [Share](#)



[Culture](#)

WE HAVE UPDATED OUR PRIVACY POLICY AND ENCOURAGE YOU TO READ IT BY CLICKING [HERE](#).

[OMG was it intense](#)

Brian Koerber

A sudden-death tiebreaker on 'Jeopardy!' shook the community to its core.

7 hours ago

[Share](#) [Tweet](#) [Share](#) [Share](#)



[Science](#)

## [This one picture sums up climate change's growing role in coastal flooding](#)

Andrew Freedman

Sea level rise is the hidden factor lurking behind increasingly frequent record-breaking floods.

5 hours ago

[Share](#) [Tweet](#) [Share](#) [Share](#)



[Paid Content by DIT trader](#)  
[MWC 2018: How Brits are at the cutting edge of conversation](#)

[Share](#) [Tweet](#) [Share](#) [Share](#)

WE HAVE UPDATED OUR PRIVACY POLICY AND ENCOURAGE YOU TO READ IT BY CLICKING [HERE](#).





[Culture](#)

## [The world needs a Beyoncé rap album](#)

Martha Tesema

The people have spoken, B.

6 hours ago

[Share](#) [Tweet](#) [Share](#) [Share](#)



[Entertainment](#)

## [Engaged 'Game of Thrones' stars take extreme measures to avoid spoiling each other](#)

Jess Joho

Jon Snow knows too much!

8 hours ago

[Share](#) [Tweet](#) [Share](#) [Share](#)



[Tech](#)

## [Lyft offers free rides to March For Our Lives rallies](#)

Sasha Lekach

"We believe there is something seriously wrong when the threat of gun violence is so frequent and real throughout our country."

8 hours ago

[Share](#) [Tweet](#) [Share](#) [Share](#)

WE HAVE UPDATED OUR PRIVACY POLICY AND ENCOURAGE YOU TO READ IT BY CLICKING [HERE](#).



[Paid Content by DIT trader](#)

[MWC 2018: How Brits are at the cutting edge of conversation](#)

[Share](#) [Tweet](#) [Share](#) [Share](#)



[Culture](#)

## [Powerful photos capture young girl marveling over Michelle Obama portrait](#)

Nicole Gallucci

The Obamas would be proud.

9 hours ago

[Share](#) [Tweet](#) [Share](#) [Share](#)



[Culture](#)

WE HAVE UPDATED OUR PRIVACY POLICY AND ENCOURAGE YOU TO READ IT BY CLICKING [HERE](#).

[us cans of beer](#)

Laura Vitto

"American workers and American consumers will suffer as a result of the misguided tariff," MillerCoors says.

11 hours ago

[Share](#) [Tweet](#) [Share](#) [Share](#)



[Tech](#)

## **Facebook is using facial recognition — here's how to turn it off**

Matthew Kline

Some pictures just shouldn't be tagged...

1 day ago

[Share](#) [Tweet](#) [Share](#) [Share](#)



[Science](#)

## **Photos and videos show historic flooding, damage from intense nor'easter**

Marcus Gilmer

Boston and other cities are already being inundated with water.

12 hours ago

[Share](#) [Tweet](#) [Share](#) [Share](#)

- [About Us](#)
- [Jobs](#)
- [Advertise](#)
- [Subscribe](#)
- [Privacy](#)
- [Terms](#)

- 
- 
- 
- 
- 
- 
- 
- 

[Mashable](#) is a global, multi-platform media and entertainment company. Powered by its own proprietary technology, Mashable is the go-to source for tech, digital culture and entertainment content for its dedicated and influential audience around the globe.

- ©2005-2018 Mashable, Inc.
- Reproduction without explicit permission is prohibited. All Rights Reserved.
- Designed in collaboration with [Code & Theory](#).



WE HAVE UPDATED OUR PRIVACY POLICY AND ENCOURAGE YOU TO READ IT BY CLICKING [HERE](#).